

Toll Brothers Apartment Living® and PGIM Real Estate Announce Joint Venture to Develop 432-Unit Luxury Rental Community in Boston, Massachusetts

May 31, 2022

JV Secures \$226 Million Construction Loan from Wells Fargo N.A., BNY Mellon, and The Bank of East Asia, Limited, New York Branch

FORT WASHINGTON, Pa., May 31, 2022 (GLOBE NEWSWIRE) -- Toll Brothers, Inc. (NYSE: TOL) ([TollBrothers.com](https://www.tollbrothers.com)), the nation's leading builder of luxury homes, through its Toll Brothers Apartment Living® rental division, and PGIM Real Estate, the real estate investment and financing business of PGIM, the \$1.5 trillion global asset management business of Prudential Financial (NYSE: PRU) have announced another new joint venture to develop Lyra, a 34-story, 432-unit multifamily rental community in downtown Boston, MA. The project, which will be the first development by Toll Brothers Apartment Living (TBAL) in Boston, is being financed through a \$226 million construction loan facility from Wells Fargo N.A. as agent, along with BNY Mellon and The Bank of East Asia, Limited, New York Branch. The equity and debt were arranged by Toll Brothers' in-house Finance Department.

Lyra is located at the intersection of Huntington and Massachusetts Avenues in a lively, always-on urban environment with convenient access to the commercial and retail hubs of Boston's Back Bay, Fenway-Kenmore and South End. The central location is near multiple MBTA routes, several arts and entertainment venues, world-class dining options, and more than 15 million square feet of commercial office space. Residents also have easy access to other major retail destinations within walking distance, such as the Prudential Center, Copley Place, and Newbury Street.

Lyra will consist of 432 rental apartments, including 376 market-rate and 56 affordable units, as well as a 66-space parking garage and bicycle storage space. The apartment units will feature high-end luxury finishes and residents will enjoy a best-in-class amenity package, including a 24-hour concierge, state-of-the-art fitness center, coworking space, lounge and meeting room, screening room, pet spa, and rooftop lounge with outdoor terrace.

Lyra will also offer 5,500 square feet of ground-floor retail that anchors the tower. Designed as a two-story glass jewel box, the retail space is purpose-built for a single-tenant dining opportunity. Offering a prime location that caters to neighborhood residents and visitors alike, the retail space sits among Boston Symphony Hall, the Huntington Theatre Company, and several other nearby cultural venues.

Charles Elliott, President of Toll Brothers Apartment Living said, "As part of our expansion throughout the northeast market, we are thrilled to enter downtown Boston with Lyra, a luxurious, amenity-rich retreat from the

hustle and bustle of downtown that still provides residents outstanding access to some of the very best shopping, dining, and entertainment destinations found in the city.”

Fred Cooper, Senior Vice President, Finance and Investor Relations for Toll Brothers said, “Lyra will be another very exciting upscale urban high-rise transit-oriented community from Toll Brothers Apartment Living. With suburban and urban projects across the country, TBAL was recently ranked the 11th largest multifamily developer in the U.S. by the National Multifamily Housing Council. PGIM Real Estate has been our valued partner on a number of these projects as we have grown, and Wells Fargo and BNY Mellon have been great construction lenders on multiple communities as well. The addition of The Bank of East Asia rounds out our excellent team at Lyra.”

Frank Garcia, Managing Director and Senior Portfolio Manager for PGIM Real Estate said, “We are pleased to partner with Toll Brothers for our latest joint development. In the wake of Covid, we have seen a strong rebound in the demand for apartments in Boston, leading to rising occupancies and rents throughout the cities’ neighborhoods. Lyra will help us cater to a diverse group of residents looking to live in one of the most accessible areas of the city.”

For future updates and information regarding this community, please visit TollBrothersApartmentLiving.com.

ABOUT TOLL BROTHERS

Toll Brothers, Inc., A FORTUNE 500 Company, is the nation’s leading builder of luxury homes. The Company was founded 55 years ago in 1967 and became a public company in 1986. Its common stock is listed on the New York Stock Exchange under the symbol “TOL.” The Company serves first-time, move-up, empty-nester, active-adult, and second-home buyers, as well as urban and suburban renters. Toll Brothers builds in over 60 markets in 24 states: Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Maryland, Massachusetts, Michigan, Nevada, New Jersey, New York, North Carolina, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, and Washington, as well as in the District of Columbia. The Company operates its own architectural, engineering, mortgage, title, land development, golf course development, smart home technology, and landscape subsidiaries. The Company also operates its own lumber distribution, house component assembly, and manufacturing operations.

Toll Brothers was named the World’s Most Admired Homebuilder in FORTUNE magazine’s 2022 survey of the World’s Most Admired Companies®, the seventh year it has been so honored. Toll Brothers has also been named Builder of the Year by Builder magazine and is the first two-time recipient of Builder of the Year from Professional Builder magazine. For more information visit TollBrothers.com.

Toll Brothers discloses information about its business and financial performance and other matters, and provides links to its securities filings, notices of investor events, and earnings and other news releases, on the Investor Relations section of its website (investors.TollBrothers.com).

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ABOUT TOLL BROTHERS APARTMENT LIVING®

Toll Brothers Apartment Living is the apartment development division of Toll Brothers, Inc. (NYSE: TOL), an award-winning FORTUNE 500 company, and the nation’s leading builder of luxury homes. Toll Brothers

Apartment Living brings the same quality, luxury, and service for which Toll Brothers is known to its exceptional rental and mixed-use communities in select markets, including Atlanta, Boston, Dallas, Los Angeles, New York, Philadelphia, Phoenix, and Washington, DC. Toll Brothers Apartment Living communities combine the energy of vibrant locations with unparalleled amenities, resident services, design, and the expertise of America's Luxury Home Builder®. In 2022, NMHC ranked Toll Brothers Apartment Living the 11th largest apartment developer in the United States. The firm has developed nearly 8,500 units, has nearly 4,500 units under management, and controls a national pipeline of more than 20,500 units. For more information visit TollBrothersApartmentLiving.com.

ABOUT PGIM REAL ESTATE

As one of the largest real estate managers in the world with \$209.3 billion in gross assets under management and administration,¹ PGIM Real Estate strives to deliver exceptional outcomes for investors and borrowers through a range of real estate equity and debt solutions across the risk-return spectrum. PGIM Real Estate is a business of PGIM, the \$1.5 trillion global asset management business of Prudential Financial, Inc. (NYSE: PRU).

PGIM Real Estate's rigorous risk management, seamless execution, and extensive industry insights are backed by a 50-year legacy of investing in commercial real estate, a 140-year history of real estate financing,² and the deep local expertise of professionals in 32 cities globally. Through its investment, financing, asset management, and talent management approach, PGIM Real Estate engages in practices that ignite positive environmental and social impact, while pursuing activities that strengthen communities around the world. For more information visit pgimrealestate.com.

ABOUT PGIM

[PGIM](https://pgim.com), the global asset management business of Prudential Financial, Inc. (NYSE: PRU), ranks among the top 10 largest asset managers in the world³ with \$1.5 trillion in assets under management as of Dec. 31, 2021. With offices in 17 countries, PGIM's businesses offer a range of investment solutions for retail and institutional investors around the world across a broad range of asset classes, including public fixed income, private fixed income, fundamental equity, quantitative equity, real estate and alternatives. For more information about PGIM, visit pgim.com.

Prudential Financial, Inc. (PFI) of the United States is not affiliated in any manner with Prudential plc, incorporated in the United Kingdom, or with Prudential Assurance Company, a subsidiary of M&G plc, incorporated in the United Kingdom. For more information please visit news.prudential.com.

1 As of Dec. 31, 2021. AUM reflected as gross. Net AUM is \$137.9 billion and AUA is \$45.9 billion.

2 Includes legacy lending through PGIM's parent company, Prudential Financial, Inc.

3 PGIM is the investment management business of Prudential Financial, Inc. (PFI). PFI is the 10th largest investment manager (out of 477 firms surveyed) in terms of global assets under management based on Pensions & Investments' Top Money Managers list published on May 31, 2021. This ranking represents global assets under management by PFI as of Dec. 31, 2020.

TOLL BROTHERS' FORWARD-LOOKING STATEMENTS

This release contains or may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. One can identify these statements by the fact that they do not relate to matters of a strictly historical or factual nature and generally discuss or relate to future events. These statements contain words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "may," "can," "could," "might," "should," "likely," "will," and other words or phrases of similar meaning. Such statements may include,

but are not limited to, information and statements regarding: the impact of Covid-19 on the U.S. economy and our business; expectations regarding interest rates and inflation; the markets in which we operate or may operate; our strategic objectives and priorities; our land acquisition, land development and capital allocation priorities; housing market conditions; demand for our homes; anticipated operating results and guidance; home deliveries; financial resources and condition; changes in revenues; changes in profitability; changes in margins; changes in accounting treatment; cost of revenues, including expected labor and material costs; selling, general, and administrative expenses; interest expense; inventory write-downs; home warranty and construction defect claims; unrecognized tax benefits; anticipated tax refunds; sales paces and prices; effects of home buyer cancellations; growth and expansion; joint ventures in which we are involved; anticipated results from our investments in unconsolidated entities; our ability to acquire or dispose of land and pursue real estate opportunities; our ability to gain approvals and open new communities; our ability to market, construct and sell homes and properties; our ability to deliver homes from backlog; our ability to secure materials and subcontractors; our ability to produce the liquidity and capital necessary to conduct normal business operations or to expand and take advantage of opportunities; and the outcome of legal proceedings, investigations, and claims.

Any or all of the forward-looking statements included in this release are not guarantees of future performance and may turn out to be inaccurate. This can occur as a result of incorrect assumptions or as a consequence of known or unknown risks and uncertainties. The major risks and uncertainties – and assumptions that are made – that affect our business and may cause actual results to differ from these forward-looking statements include, but are not limited to:

- the effects of the ongoing Covid-19 pandemic, which remain highly uncertain, cannot be predicted and will depend upon future developments, including the duration of the pandemic, the impact of mitigation strategies taken by applicable government authorities, the continued availability and effectiveness of vaccines, adequate testing and therapeutic treatments and the prevalence of widespread immunity to Covid-19;
- the effect of general economic conditions, including employment rates, housing starts, interest rate levels, availability of financing for home mortgages and strength of the U.S. dollar;
- market demand for our products, which is related to the strength of the various U.S. business segments and U.S. and international economic conditions;
- the availability of desirable and reasonably priced land and our ability to control, purchase, hold and develop such land;
- access to adequate capital on acceptable terms;
- geographic concentration of our operations;
- levels of competition;
- the price and availability of lumber, other raw materials, home components and labor;
- the effect of U.S. trade policies, including the imposition of tariffs and duties on home building products and retaliatory measures taken by other countries;
- the effects of weather and the risk of loss from earthquakes, volcanoes, fires, floods, droughts, windstorms, hurricanes, pest infestations and other natural disasters, and the risk of delays, reduced consumer demand,

and shortages and price increases in labor or materials associated with such natural disasters;

- the risk of loss from acts of war, terrorism or outbreaks of contagious diseases, such as Covid-19;
- federal and state tax policies;
- transportation costs;
- the effect of land use, environment and other governmental laws and regulations;
- legal proceedings or disputes and the adequacy of reserves;
- risks relating to any unforeseen changes to or effects on liabilities, future capital expenditures, revenues, expenses, earnings, indebtedness, financial condition, losses and future prospects;
- the effect of potential loss of key management personnel;
- changes in accounting principles;
- risks related to unauthorized access to our computer systems, theft of our and our homebuyers' confidential information or other forms of cyber-attack; and
- other factors described in "Risk Factors" included in our Annual Report on Form 10-K for the year ended October 31, 2021 and in subsequent filings we make with the Securities and Exchange Commission ("SEC").

Many of the factors mentioned above or in other reports or public statements made by us will be important in determining our future performance. Consequently, actual results may differ materially from those that might be anticipated from our forward-looking statements.

Forward-looking statements speak only as of the date they are made. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

For a further discussion of factors that we believe could cause actual results to differ materially from expected and historical results, see the information under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our most recent Annual Report on Form 10-K filed with the SEC and in subsequent reports filed with the SEC. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995, and all of our forward-looking statements are expressly qualified in their entirety by the cautionary statements contained or referenced in this section.

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A photo accompanying this announcement is available at

<https://www.globenewswire.com/NewsRoom/AttachmentNg/6cf4b474-f033-4fce-a145-3f7852611d63>



Source: Toll Brothers, Inc.

Lyra



Boston, MA